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C O N F I D E N T I A L SECTION 01 OF 03 ROME 003132

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TAGS: [PGOV](#) [XF](#) [IR](#) [LE](#) [UNAU](#) [KNNP](#) [IT](#)
SUBJECT: ITALY: IRAN SANCTIONS UNAVOIDABLE, BUT ESCALATION
UNPREDICTABLE

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Classified By: Political M/C David D. Pearce for reasons 1.4 (B) and (D).

Summary

¶1. (C) MFA Middle East Director Cesare Ragaglini says there is now no choice on the Iran nuclear issue but to move forward with sanctions. This is a matter for some concern, though, because it will set in motion a process of escalation whose outcome is unpredictable. We should also be looking at a strategy for engagement. The key issue for Iran is not the nuclear one, according to Ragaglini; it is U.S. recognition and engagement. The Middle East director told visiting NEA DAS Gray that movement on the peace process (MEPP) will be a priority for the GOI during its tenure on the UNSC. However, he said, the Italians are skeptical of the so-called French/Spanish initiative because any serious effort will require EU-wide concurrence, not just the support of a few countries. Furthermore, it will have to be carefully coordinated with the U.S., Israel, and the moderate Arab countries. Ragaglini said it was essential that the UNIFIL mission in Lebanon be a success, because it was the first time Israel had accepted such a force, and this could be an important precedent for future missions in the region. He said PM Prodi had called Syrian President Asad to press him to refrain from action to destabilize the Siniora government. Bashar disingenuously said Syria had withdrawn its troops from Lebanon, and thus had limited means to influence the situation. Nevertheless, Ragaglini said, Prodi made clear Italy's support for the Siniora government, and also that it considered this moment an important test of Syrian intentions. End Summary.

Iran: Looking for U.S. Recognition, Engagement

¶2. (U) Visiting NEA DAS Gordon Gray and NEA RA Deputy Director Christine Elder met November 17 with Italy's new Middle East Director General, Cesare Ragaglini. Ragaglini was accompanied by Near East office director Luciano Pezzotti and deputy Near East Office Director Daniele Bosio. Pol M/C and poloff accompanied Gray.

¶3. (C) Ragaglini, who has served in both Iran and Iraq, agreed with Gray that the only option with Iran at this point

was to move forward toward sanctions. However, this will also start a process of escalation whose exit is unpredictable. While the initial sanctions set may be light, once we go down this path the international community will eventually have to move on to tougher measures. We need to reflect very hard on this, and where it will go, and be very clear what goal we hope to achieve. Italy wished to prevent Iran from becoming a nuclear power, but the nuclear issue was not the only issue to take into account when dealing with Iran. In Ragaglini's view, the EU-3 are ultimately hampered in what they can achieve with Iran because they do not have the ability to deliver to Tehran what it wants most, and what it is really looking for -- recognition, respect, and engagement by the U.S.

14. (C) Gray pointed to the Secretary's May 31 offer to sit down together with the Iranians, but they had declined the offer. Ragaglini agreed, and said the EU-3 (and Italy) had not helped sufficiently in explaining to the Iranians the significant implications of that offer. We should look at a strategy for engaging Iran but whatever our conceptual differences, it would be essential for success that we stick together (Comment: by "we", Ragaglini appeared to mean the U.S. and EU. End Comment). Gray cautioned that any change of course would be perceived by the Iranians as weakness and we need to keep moving towards sanctions. Ragaglini agreed it would be disastrous to change course now.

MEPP a Priority for Italy

15. (C) Ragaglini said movement on the MEPP was a priority for FM D'Alema and it would be a priority for the GOI during its tenure on the UNSC. The status quo was not an option. Europe believes its security is directly linked to a

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resolution of the Israeli/Palestinian issue. We are faced with many weaknesses in the region: the Palestinians are weak, despite some movement toward a government of national unity; Israel has been weakened after the conflict with Lebanon; and Lebanon's domestic situation is fragile and susceptible to influence from Syria.

16. (C) That said, there are also opportunities, and it will be important to move quickly, or else the difficulties we face today will only multiply. Gray pointed out that President Bush's speech to the UNGA highlighted U.S. determination to resolve the Israeli-Palestinian conflict, which was further underscored by the Secretary's trip to the region shortly thereafter. But resolution of this difficult issue is not a magic solution for all the issues in the region. Lebanon will continue to have sectarian divisions, Iran will continue to look for ways to assert itself as a regional power, and al-Qaeda will remain a threat. Ragaglini said the plight of the Palestinians was cynically used as political cover by Arab leaders, in order to avoid movement on other issues. But perception can become reality, and the excuse needed to be removed so that movement on other issues could proceed.

17. (C) The ME director said the Italians were skeptical of the recently announced Spanish-French initiative. Any initiative needed to be EU-wide to carry any weight. It should first be discussed in the EU's "Quint" (France, Spain, Italy, UK, Germany) format, then agreed by the entire 25. Italy would host the next meeting of the Quint in early December and next steps in the peace process will be on the agenda.

UNIFIL II Success Essential

18. (C) Ragaglini said it was essential that UNIFIL II be a

success story. The mission sets an important precedent for security in the region, since it represents the first time Israel has accepted such an international force, and it thus could be a model for future missions.

Syria Unresponsive

¶9. (C) Ragaglini noted that PM Prodi had called Syrian President Bashar al-Assad November 13 to ask him to play a positive role and refrain from taking any action to destabilize the Siniora government. Bashar responded unhelpfully, and disingenuously, saying that Syria had agreed to requests from the international community to withdraw its troops from Lebanon, and thus had limited means to influence the situation. Nevertheless, Italy had made its support for the Siniora government clear, and also made clear that it considered this an important test of Syrian intentions.

¶10. (C) Gray said Bashar lacked his father's strategic sense, including knowing when and how to change course, and could not be counted on to act rationally. Ragaglini agreed, but said there appeared to be no good alternatives on the Syrian political horizon; the Muslim Brotherhood was certainly not a palatable option. He added that, looking beyond Lebanon, the Syrian regime was secular and should therefore have an interest in joining the West in combating the problem of Islamic extremism.

¶11. (C) Comment. Ragaglini replaced Riccardo Sessa as Director General for Middle East -- NEA A/S equivalent-- in early November (see reftel for full bio.) This was his first meeting with a senior U.S. official in his new capacity. Ragaglini most recently served as PM Prodi's G-8 Sherpa and has also served as the Former Chief of the Italian Special Diplomatic Delegation in Baghdad (1996-1999). He was Deputy Diplomatic Advisor to three consecutive Prime Ministers including Massimo D'Alema (current Foreign Minister) and he served his first overseas tour in Tehran. He struck us as a thoughtful and experienced diplomat who is keen to work closely with the U.S. on issues which are a top foreign policy priority for his government and his Minister.

¶12. (U) NEA DAS Gray has cleared this cable.

¶13. (U) Tripoli minimize considered.

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